



*Since 1894*

April 9, 2003

Country of Origin Labeling Program  
Agricultural Marketing Service, USDA  
Stop 0249, Room 2092-S  
1400 Independence Avenue, SW  
Washington DC 20250-0249

Delivered via e-mail: cool@usda.gov

**RE: Docket Number LS-02-13, Establishment of Guidelines for the Interim Voluntary Country of Origin Labeling of Beef, Lamb, Pork, Fish, Perishable Agricultural Commodities, and Peanuts Under the Authority of the Agricultural Marketing Act of 1946**

The Kansas Livestock Association (KLA) is pleased to submit comments on USDA's proposed regulations for implementation of a voluntary country-of-origin labeling program covering beef, pork, lamb, fish, perishable commodities and peanuts. KLA is a trade association representing nearly 6,500 members involved in all segments of the beef production system, including cow-calf producers, seedstock suppliers, stocker operators, cattle feeders and feedyard owners. The beef industry is a key component of the Kansas economy, generating nearly \$5 billion in cash receipts during 2001.

KLA member policy supports a voluntary, market-driven approach to country-of-origin labeling (COOL) and opposes mandatory labeling. A voluntary initiative likely would be more efficient and less disruptive to the market than a mandatory program. KLA members believe mandatory COOL will result in higher costs for all segments of the cattle industry, especially cow-calf producers, with little or no benefit to domestic cattle producers. We realize, though, language contained in the 2002 Farm Bill instructs the secretary of agriculture to develop a mandatory COOL program and implement it by September 30, 2004.

As USDA develops the guidelines for mandatory COOL, KLA suggests the following points be considered: delay implementation of the mandatory program for beef; allow producer affidavits supported by business records for country-of-origin documentation; allow certification of groups of cattle; and structure the program so as not to jeopardize international markets.

KLA members are very concerned about the timeline for implementation of this law. Our cowherd operators have calves on the ground that likely will be harvested after the implementation date outlined in the proposed regulations. Furthermore, the majority of these calves will leave the ranch long before the mandatory COOL regulations are finalized. We believe it is unfair to ask cattle producers to comply with a law based on unwritten rules. We suggest implementation of mandatory COOL be delayed until final rules are available before the next calving season begins.

Producer affidavits, supported by business records, should be sufficient documentation to verify country-of-origin. USDA should make clear to the retail industry that producer affidavits are sufficient to comply with the law. Retailers have indicated they will require third-party verification of their suppliers' documentation. Requiring third-party verification will increase the costs of the program to cattle producers and complicate the information transfer between segments.

KLA recommends *groups* of cattle be tracked as opposed to individual animals. The majority of domestic cattle meet the requirements outlined in the legislation to qualify for the U.S. label. Similarly, the majority of U.S. cattle producers handle only domestic cattle. Under these circumstances, it seems reasonable to document origin by group. For example, a cow-calf producer sells his U.S.-origin calves at the auction market. The market relays to its buyers that the calves are documented as U.S. origin and provides that information on the buyer settlement sheet. If the buyer purchases only U.S.-origin cattle, then he may sell those cattle in groups with U.S.-origin certification. Certifying by groups would allow cattle producers to use the common practice of branding to identify their cattle.

A key component of this system would be certification of U.S.-only cattle producers. Qualified individuals could apply for certification of raising or handling only U.S.-origin cattle. This would simplify documentation of U.S.-origin cattle and facilitate group certification of cattle. Group certification would reduce significantly the recordkeeping burden on producers and simplify information transfer between segments.

KLA members believe it is imperative that mandatory COOL regulations do not threaten international trade agreements. Trade in cattle and beef products is of growing importance to the beef industry, with a positive trade balance of more than \$600 million in 2002. Great care should be taken to develop regulations that do not jeopardize international trade.

KLA recommends the mandatory COOL regulations apply to all meat sold at retail, including poultry. KLA believes this rule places beef at a competitive disadvantage to poultry, an industry that, as the law currently reads, does not face the exorbitant cost of COOL compliance.

KLA strongly encourages USDA to expedite the rulemaking process for mandatory COOL regulations. As stated before, beef producers are forced to comply with unwritten rules. It is essential that cattle producers have the final regulations available as soon as possible.

KLA appreciates the opportunity to provide input on country-of-origin labeling regulations. Please contact the KLA office at (785) 273-5115 if we can be of further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read 'Larry Jones', with a stylized, flowing script.

Larry Jones  
President